

**Exhibit 2**

**The 2019 Correspondence**

**From:** [Bacon, Nicole](#)  
**To:** ["Wandymar Burgos Vargas"; Caracas, Nancy](#)  
**Cc:** [Feldesman, James](#); [Susana Peñagaricano](#); [Marcia I. Perez Llavona](#); [Iván J. Ramírez Camacho](#); "[F387501](#)"; [Feldesman\\_Docs@WorkSiteEmm.feldesmantucker.com](#)  
**Subject:** RE: NBacon: Response RE: Confirmed 8/7 3:30om (AST). Please provide # conf service. Thanks RE: NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation  
**Date:** Monday, August 12, 2019 1:45:56 PM  
**Attachments:** [image006.jpg](#)  
[image007.jpg](#)  
[image008.png](#)  
[image001.png](#)

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Dear Counsel Burgos Vargas:

Thank you for your response. However, I still have many questions as to methodology used to calculate the payments. In particular, it is not clear to me that no changes have been made to the formula.

Could you please send the Excel spreadsheets and any other workpapers that were used to calculate the quarterly payments for Fourth quarter of 2018, First quarter of 2019 and Second quarter of 2019.

I have been asking for this information for prior quarters and have not received it. Please forward this information to us no later than COB. Tuesday August 13<sup>th</sup>.

We appreciate your ongoing prompt communications regarding this matter and hope that we can resolve any disputes without court action.

**Nicole M. Bacon**

Partner

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**From:** Wandymar Burgos Vargas

**Sent:** Friday, August 9, 2019 5:09 PM

**To:** Bacon, Nicole ; Caracas, Nancy

**Cc:** Feldesman, James ; Susana Peñagaricano ; Marcia I. Perez Llavona ; Iván J. Ramírez Camacho

**Subject:** NBacon: Response RE: Confirmed 8/7 3:30om (AST). Please provide # conf service. Thanks RE:

NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation

Dear Counsel,

I acknowledge receipt of your email regarding the difference in payment from the first quarter of 2019 and the second quarter. After the DOJ discussed your concerns with Medicaid's PPS Officer, we hereby include the explanation for the slight difference between the two quarters in question provided to us.

As had been requested by counsel for Plaintiffs during the last hearing held before the Special Master in December 2018, since the Court had approved the revised PPS rates by the end of the year 2018, Plaintiffs considered they should be reflected by January 1, 2019 onward. Accordingly, the Department of Health made the necessary calculations to submit the first quarter interim wraparound payment for 2019 to reflect not only the MEI but also the revised PPS rates. In addition to the changes mentioned (revised rates and MEI), the first quarter of 2019 is the average calculation of the two previous quarterly interim wraparound payments (Q3 and Q4 of 2018). No changes to the formula were made.

The PPS Officer proceeded to calculate the new PPS rates with the total number of visits for the fourth quarter of 2018 and the MEI. The resulting number was then averaged (in compliance with the formula approved by the Court) with the original WAP for the fourth quarter of 2018, resulting in the sum of \$14,047,716.33 (WAP Q-4 2018 with the

new PPS rates and MEI totals \$17,825,899.70; added to the original WAP for the fourth quarter of 2018 (\$10,269,532.95) and divided between them the total would be \$14,047,716.33, which was the first quarter interim WAP for 2019). As we understand it, Plaintiffs have no objection to the first quarter WAP for 2019. The PPS Officer performed the calculations to effectively reflect the new PPS rates for the first quarter payment of 2019, which Plaintiffs expected to be recognized as of January 1, 2019.

In calculating the second quarter of 2019, the PPS officer added the average interim WAP for the first quarter 2019 (\$14,047,716.33) to the interim WAP for the fourth quarter of 2018, which averaged the second quarter interim WAP for 2019 (\$12,158,624.64). The apparent reduction will eventually level when the third quarter WAP is calculated, and the subsequent payment calculations are recorded.

We have to remember that we are working with preliminary calculations that could suffer changes due to the reconciliation process. At this time, the Department of Health has continuously complied with issuing the interim payments. However, Defendants are conscious that those calculations will later reflect some changes.

Should you have any questions or concerns contact the undersigned at your convenience.

Cordially,

f/WBV

*Leda. Wandymar Burgos Vargas*

*Secretaria Auxiliar*

*Secretaría Auxiliar de lo Civil*

*Departamento de Justicia*

[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)

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**From:** Bacon, Nicole [<mailto:nbacon@feldesmantucker.com>]

**Sent:** Wednesday, August 07, 2019 7:06 PM

**To:** Wandymar Burgos Vargas; Caracas, Nancy

**Cc:** Feldesman, James; Susana Peñagaricano; Marcia I. Perez Llavona; Iván J. Ramírez Camacho

**Subject:** RE: DOJ is in one location RE: NCaracas: Confirmed 8/7 3:30pm (AST). Please provide # conf service. Thanks RE: NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation  
Dear Counsel:

To follow up from the call today, please provide us with more information regarding the difference in payment from the first quarter of 2019 to and the second quarter. Previously you explained "that the first quarterly wraparound payment included the MEI calculation, which would explain the difference in the amounts."

That response does not make sense since the MEI calculation should be applied to the entire year not just in the first quarter. In addition, the MEI does not seem to be the cause of the magnitude in difference in payment.

The court-ordered formula should not have any material changes after updating for the new PPS rates and the MEI. (You will notice that there was very little variation, if any between payments for each quarter in 2018). As such, we expect that the Department of Health should respond by issuing checks for the difference in payment between the first and second quarters of 2019.

Please let me know your response by Friday, August 9<sup>th</sup>. If we do not have a response, we will have no choice but to seek court action to enforce the recently endorsed stipulation. Please feel free to contact me if you have any questions or concerns.

Thank you again for agreeing to speak with us today. Have a good evening.

-Nicole

**Nicole M. Bacon**

Partner

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**From:** Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>

**Sent:** Tuesday, August 6, 2019 8:34 PM

**To:** Caracas, Nancy <[nCaracas@feldesmantucker.com](mailto:nCaracas@feldesmantucker.com)>

**Cc:** Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>; Feldesman, James

<[JFeldesman@feldesmantucker.com](mailto:JFeldesman@feldesmantucker.com)>; Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>; Marcia I.

Perez Llavona <[marperez@justicia.pr.gov](mailto:marperez@justicia.pr.gov)>; Iván J. Ramírez Camacho <[ivramirez@justicia.pr.gov](mailto:ivramirez@justicia.pr.gov)>

**Subject:** DOJ is in one location RE: NCaracas: Confirmed 8/7 3:30om (AST). Please provide # conf service.

Thanks RE: NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation

*Leda. Wandymar Burgos Vargas*

*Secretaria Auxiliar*

*Secretaría Auxiliar de lo Civil*

*Departamento de Justicia*

[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)

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---

**From:** Caracas, Nancy [<mailto:nCaracas@feldesmantucker.com>]

**Sent:** Tuesday, August 06, 2019 6:09 PM

**To:** Wandymar Burgos Vargas

**Cc:** Bacon, Nicole; Feldesman, James; Susana Peñagaricano; Marcia I. Perez Llavona; Iván J. Ramírez Camacho

**Subject:** RE: NCaracas: Confirmed 8/7 3:30om (AST). Please provide # conf service. Thanks RE: NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation

Good evening,

Who will be joining the call? Do we need a conference line or where should we call?

Thank you,

**Nancy Caracas**

Paralegal

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**From:** Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>

**Sent:** Friday, August 02, 2019 6:15 PM

**To:** Caracas, Nancy <[nCaracas@feldesmantucker.com](mailto:nCaracas@feldesmantucker.com)>

**Cc:** Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>; Feldesman, James <[JFeldesman@feldesmantucker.com](mailto:JFeldesman@feldesmantucker.com)>; Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>; Marcia I. Perez Llavona <[marperez@justicia.pr.gov](mailto:marperez@justicia.pr.gov)>; Iván J. Ramírez Camacho <[ivramirez@justicia.pr.gov](mailto:ivramirez@justicia.pr.gov)>

**Subject:** NCaracas: Confirmed 8/7 3:30om (AST). Please provide # conf service. Thanks RE: NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation

*Leda. Wandymar Burgos Vargas*

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---

**From:** Caracas, Nancy [<mailto:nCaracas@feldesmantucker.com>]

**Sent:** Friday, August 02, 2019 6:10 PM

**To:** Wandymar Burgos Vargas

**Cc:** Bacon, Nicole; Feldesman, James; Susana Peñagaricano; Marcia I. Perez Llavona; Iván J. Ramírez Camacho

**Subject:** RE: NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation  
Good evening,

We are available Wednesday August 7<sup>th</sup> at 03:30 pm. Please let me know if you would like to utilize our conferencing service. I can provide a phone number with a pin for everyone. Thank you,

**Nancy Caracas**

Paralegal

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**From:** Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>

**Sent:** Friday, August 02, 2019 1:41 PM

**To:** Caracas, Nancy <[nCaracas@feldesmantucker.com](mailto:nCaracas@feldesmantucker.com)>

**Cc:** Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>; Feldesman, James <[JFeldesman@feldesmantucker.com](mailto:JFeldesman@feldesmantucker.com)>; Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>; Marcia I. Perez Llavona <[marperez@justicia.pr.gov](mailto:marperez@justicia.pr.gov)>; Iván J. Ramírez Camacho <[ivramirez@justicia.pr.gov](mailto:ivramirez@justicia.pr.gov)>

**Subject:** NCaracas: Proposed Alternate dates RE: NCaracas: Acknowledge Receipt Re: Stipulation

Ms. Caracas:

DOJ offers as alternate dates the following:

1. Tuesday August 6 at 11:30 am (AST)
2. Wednesday August 7 either 11:30am or 3:30pm (AST)

Please confirm.

f/WBV

*Leda. Wandymar Burgos Vargas*

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**From:** Caracas, Nancy [<mailto:nCaracas@feldesmantucker.com>]

**Sent:** Friday, August 02, 2019 1:02 PM

**To:** Wandymar Burgos Vargas

**Cc:** Bacon, Nicole; Feldesman, James; Susana Peñagaricano; Marcia I. Perez Llavona; Iván J. Ramírez Camacho

**Subject:** RE: NCaracas: Acknowledge Receipt Re: Stipulation

Good afternoon,

She would like to discuss the Quarter 2 WAP rates. We look forward to receiving your new dates and times.

Have a nice weekend.

Thank you,

**Nancy Caracas**

Paralegal

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**From:** Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>

**Sent:** Friday, August 02, 2019 7:14 AM

**To:** Caracas, Nancy <[nCaracas@feldesmantucker.com](mailto:nCaracas@feldesmantucker.com)>

**Cc:** Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>; Feldesman, James

<[JFeldesman@feldesmantucker.com](mailto:JFeldesman@feldesmantucker.com)>; Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>; Marcia I.

Perez Llavona <[marperez@justicia.pr.gov](mailto:marperez@justicia.pr.gov)>; Iván J. Ramírez Camacho <[ivramirez@justicia.pr.gov](mailto:ivramirez@justicia.pr.gov)>;

Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>

**Subject:** NCaracas: Acknowledge Receipt Re: Stipulation

Good morning,

I acknowledge receipt of your email. I am not available on Monday but I will provide alternate dates for a conference call next week.

In the meantime it would be helpful to know beforehand the matters regarding the stipulation counsel Bacon wants to discuss in order to have a more productive conversation.

f/WBV

*Lcda. Wandymar Burgos Vargas*

*Secretaria Auxiliar*

*Secretaria Auxiliar de lo Civil*

---

**From:** Caracas, Nancy <[nCaracas@feldesmantucker.com](mailto:nCaracas@feldesmantucker.com)>

**Sent:** Wednesday, July 31, 2019 12:36 PM

**To:** Wandymar Burgos Vargas <[wburgos@justicia.pr.gov](mailto:wburgos@justicia.pr.gov)>; Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>

**Cc:** Susana Peñagaricano <[spenagaricano@justicia.pr.gov](mailto:spenagaricano@justicia.pr.gov)>; Bacon, Nicole <[nbacon@feldesmantucker.com](mailto:nbacon@feldesmantucker.com)>; Feldesman, James <[JFeldesman@feldesmantucker.com](mailto:JFeldesman@feldesmantucker.com)>

**Subject:** Re: Stipulation

Good afternoon Counsel Burgos Vargas,  
Counsel Nicole Bacon would like to speak to you regarding the stipulation. Are you available to discuss on Monday August 5<sup>th</sup> at 11am, 1pm or 3pm? If Monday doesn't work, please provide an alternate date and time.

Thank you,

**Nancy Caracas**

Paralegal

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